Worksheet Determination of NEPA Adequacy (DNA)

U.S. Department of the Interior Bureau of Land Management

OFFICE: Kingman Field Office (KFO)

NEPA DOCUMENT NUMBER: DOI-BLM-AZ-C010-2012-0038-DNA

CASE FILE NUMBER: AZA-28639

PROPOSED ACTION TITLE/TYPE:

Freeport McMoran Copper & Gold, Bagdad Operations, Plan IX Leach and South Waste Rock Stockpile Expansion

LOCATION/LEGAL DESCRIPTION:

Sections 8, T. 14 N., R. 9 W., Gila & Salt River Meridian, near Bagdad, Yavapai Co., Arizona

APPLICANT:

Freeport McMoran Copper & Gold Bagdad Operations Main Street P.O. Box 245 Bagdad, Arizona 86321

POC:

Brad Dingee, Chief Environmental Engineer Tel (928) 633-3214 (928) 925-7764 cell

A. Description of the Proposed Action and any applicable mitigation measures:

Expansion of the Plan IX Leach Stockpile and South Waste Rock Stockpile. Currently, the disturbance to public land totals 305 acres. In 1996, 320 acres of public land in Sections 8 and 9 were authorized to be disturbed. In 2005, an additional 320 acres in Sections 8 and 9 were authorized to be disturbed. This modification to the mining plan will authorize disturbance to the remaining 30 acres of public land in Section 8. In approving this mining plan revision, a total of 670 acres of public land will be authorized to be disturbed by the Plan IX Leach Stockpile and South Waste Rock Stockpile (See map, attached.). In 1996, Freeport McMoran Copper & Gold compensated for the loss of 320 acres of desert tortoise habitat by imposing seasonal grazing restrictions on 4,000 acres of public land. Freeport McMoran Copper & Gold has agreed to compensate BLM for the loss of 350 additional acres of Category III desert tortoise habitat (See Attachment 1.).

B. Land Use Plan (LUP) Conformance

LUP Name: Kingman Resource Management Plan/EIS

Date Approved: March 1995

The proposed action is in conformance with the applicable LUP because it is specifically provided for in the following LUP decisions:

Kingman Resource Management Plan/EIS, March 1995, p. 60

"The objective of the minerals program is to provide for orderly exploration and development of minerals by allowing high- and medium- potential areas to remain open to appropriation under the mineral laws, with few restrictions."

B. Identify applicable National Environmental Policy Act (NEPA) documents and other related documents that cover the proposed action.

Freeport McMoran Copper and Gold, Bagdad Operations Addendum to the Mine Plan of Operations January 31, 2011

Cyprus Bagdad Copper Corporation Proposed Tailings and Waste Rock Storage Areas Final Environmental Impact Statement, January 1996.

Phelps Dodge Bagdad Expansion of Plan IX Leach Dump and South Waste Rock Disposal Facility April 2005.

Plan of Operations Upper Mammoth Tailings and South Waste Rock Disposal Facilities Cyprus Bagdad Copper Corporation April 1995

Closure Plan South Waste Rock Disposal Facility Cyprus Bagdad Copper Mine February 1995

Mammoth and Upper Mammoth Tailings Facilities Closure Plan February 1995

Geologic and Hydrologic Summary for Cyprus Bagdad Mine Plan of Operation February 1995

A Cultural Resources Inventory of Two Parcels of Land Proposed for Exchange from BLM Ownership to Cyprus Bagdad Copper Corporation Ownership at the Cyprus Bagdad Mine, Yavapai County, Arizona March 1995

Lowland Leopard Frog Report May 1995

D. NEPA Adequacy Criteria

1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?

This action is an expansion of leach and waste rock stockpiles originally analyzed in the EIS dated 1996. At that time, and in a previous expansion approved in 2005, a portion of the acreage of public land analyzed was approved. With this expansion, all 563 acres of public land analyzed in the 1996 EIS will be authorized to be disturbed. The project area for this expansion is adjacent to those areas previously authorized to be disturbed.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the new proposed action, given current environmental concerns, interests, and resource values?

All conditions remain substantially unchanged from the date that the 1996 EIS was approved.

3. Is the existing analysis valid in light of any new information or circumstances (such as, rangeland health standard assessment, recent endangered species listings, updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstances would not substantially change the analysis of the new proposed action?

Existing environmental analysis and conclusions are adequate. As identified in the EIS, there would be no effect to any federally-listed species or their habitats. There would be no effect to the yellow-billed cuckoo, a newly-proposed species for listing, because there is no riparian habitat that could support the cuckoo in the project area, nor has this species been documented there. Compensation for loss of Desert Tortoise habitat would help to compensate for residual impacts to tortoise.

4. Are the direct, indirect, and cumulative effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?

The direct, indirect and cumulative effects are the same as those analyzed in the 1996 EIS.

5. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

Consultation, coordination and communication completed during the preparation of the 1996 EIS is adequate for this action. This current proposal was presented to the National Environmental Policy Act Coordination meeting at the Kingman Field Office for comment. Consultation, coordination and communication completed during the preparation of the 1996 EIS is adequate for this action. This current proposal was presented to KFO staff on April 13, 2012 at the Kingman Field Office for comment.

E. Persons/Agencies/BLM Staff Consulted				
Name	Title	Resource/Agency Represented		
See Attachment 2.				
Conclusion				
plan and that the N		tude that this proposal conforms to the applicable land use vers the proposed action and constitute BLM's		
/ s / Paul L. Misi	iaszek	11/20/2012		
Project Lead		Date		
Paul Misiaszek, Ge	eologist			
/ s / Don McClu	re for	11/20/2012		
Signature of the Au		Date		
Ruben A. Sanchez				
Field Manager				
Kingman Field Off	fice			

Attachment 1



Bagdad Operations Environmental Department P.O. Box 245 Bagdad AZ. 86321 Brent Callen Senior Environmental Engineer Telephone: 928-633-3472 e-mail: Brent_Callen@fmi.com

November 13, 2012

CERTIFIED MAIL:

Paul L. Misiaszek Geologist Bureau of Land Management Kingman Field Office 2755 Mission Blvd. Kingman, AZ 86401

Re: Desert Tortoise Mitigation Agreement, Freeport McMoRan Bagdad Inc.

Dear Mr. Misiaszek:

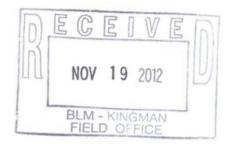
Enclosed is the signed Desert Tortoise Mitigation Agreement letter. This letter commits Freeport-McMoRan Bagdad Inc. (FMBI) to compensating the BLM for the loss of 350 acres of desert tortoise habitat due to operations on federal lands. We are presently developing options for the mitigation. We would like to meet with the appropriate BLM staff to discuss the options once they are finalized. If possible we would like to have this meeting before the end of the year; we offer the first or second week of December as possible meeting dates.

Once the letter is signed by Mr. Sanchez will you please send me a copy for our files.

Sincerely,

Brent Callen

Enclosure



Desert Tortoise Habitat Compensation Agreement

Freeport agrees to compensate for the loss of 350 acres of Category III desert tortoise habitat described in the Background section above.

Item "a" below is the preferred form of compensation in this case:

a. Provide land to compensate for the loss of the 350 acres of Category III habitat. This could be accomplished by providing a negotiated number of acres of Category I and/or II habitat or by providing 350 acres of Category III habitat. The number of acres of Category I or II habitat would be based on the category of the habitat, the quality, the proximity to development, etc. It is expected that this would result in Freeport providing anywhere from 70 to 175 acres of Category I and/or Category II habitat as compensation.

If the preferred form of compensation cannot be completed the alternative forms of compensation below (or others) would be discussed and implemented:

- b. Compensate for the loss of desert tortoise habitat by adjusting the season of livestock grazing use on a negotiated number of acres on a grazing allotment controlled by Freeport.
- c. Compensate for the loss of desert tortoise habitat by eliminating livestock grazing use on a negotiated number of acres on a grazing allotment controlled by Freeport.
- d. Compensation via payment for the appraised value of the 350 acres.

Ruben Sanchez

Field Manager

Kingman Field Office

Bureau of Land Management

Terry Rigoni

General Manager

Freeport McMoran Copper and Gold

Bagdad Operations

In reply, refer to: AZA-28639

Freeport McMoran Copper and Gold, Inc. Bagdad Operations Attention: Mr. Terry Rigoni P.O. Box 245 Bagdad, AZ 86321

Dear Mr. Rigoni,

This letter will serve as an agreement between Freeport McMoran Copper and Gold, Inc. (Freeport) and the Bureau of Land Management (BLM) concerning compensation for residual impacts to desert tortoise habitat as a result of mine expansion at the Bagdad Mine.

Background

In March 5, 1996, the BLM State Director signed a Record of Decision (ROD) for the Cyprus Bagdad Copper Corporation Proposed Waste Rock Tailings and Waste Rock Storage Areas Final Environmental Impact Statement. The ROD approved the use of 320 acres of public land located in Sections 8 and 9, Township14 North, Range 9 West, Gila & Salt River Meridian, Mohave County, Arizona for waste rock storage and leach dumps. The ROD noted that the loss of 320 acres of habitat for the Sonoran Desert Tortoise had been fully mitigated by adjusting season of use of livestock grazing on 4,000 acres of habitat in the Bagdad allotment.

In 2005, Freeport requested to develop an additional 320 acres of public land located in Sections 8 and 9. BLM approved this request but compensation for these acres was not completed. In 2012 Freeport requested to develop the remaining 30 acres of public land in Section 8.

There are 670 acres of public land located in Sections 8 and 9. Desert tortoise habitat compensation for 320 acres of public land has been completed. Therefore, Freeport must compensate for 350 acres of Category III desert tortoise habitat.

BLM Policy

BLM has the established policy to mitigate for impacts to desert tortoises and their habitats including compensation for residual impacts that cannot otherwise be mitigated ("Compensation for the Desert Tortoise", BLM memo, November 1991).

Habitat acquisition is the preferred method of compensation, as it functionally replaces lost habitat. In Category III habitat, the compensation rate is 1:1, i.e. one acre lost is compensated with the replacement of one acre. In Categories I and II, the rates are higher. Compensation requirements can be satisfied by acquisition of fewer acres of

higher quality habitat (Category I or II) to compensate for anticipated residual impacts to lower quality habitat (Category III), if an overall benefit to desert tortoise can be justified.

Other compensation options include tortoise habitat enhancement, tortoise population enhancement, educational activities directly related to the enhancement of habitat or populations, research, studies, and monitoring.

If you have any questions you may contact BLM Geologist Paul Misiaszek at (928) 718-3728.

Sincerely,

Ruben A. Sanchez Field Manager

cc: Brent Callen

Attachment 2

9.1 PUBLIC INVOLVEMENT

The Notice of Intent for the preparation of an Environmental Impact Statement was published in the Federal Register on June 16, 1994. Two scoping meetings were held for the proposed action. Notices were mailed to interested parties by the BLM. Announcements for the public scoping meetings were posted at the Arizona Game and Fish Office, Citizens Utilities Company, Mohave County Extension, Mohave County Government Offices (Negus Building), City Library, Kingman City Complex, Mohave Community College, and the BLM. Announcements were also printed in the Prescott Courier and the Mohave Daily Miner on July 8 through 13, and July 7 through 12, respectively. Scoping meetings were held at the following dates and locations:

- Tuesday, July 12, 1994
 Holiday Inn
 Kingman, Arizona
- Wednesday, July 13, 1994
 Yavapai College
 Prescott, Arizona

Approximately 30 people attended the meetings. Issues and comments brought up at the meetings consisted of the following:

- · Adverse impacts to socioeconomics from No Action
- Beneficial impacts to visual resources by creation of the seepage collection pond
- Minimal nature of impacts to noise

In addition to the scoping meetings, comment forms were sent to approximately 400 people. Scoping comments were received in writing from the United States Environmental Protection Agency, the Arizona Department of Environmental Quality, the Sierra Club, the U.S. Fish and Wildlife Service, the Hualapai Tribal Council, the Yavapai Tribe, the Arizona Game and Fish Department, as well as from private individuals and companies. Written scoping comments fell into these general categories:

•	Soils		Land Use
•	Vegetation and Wildlife	•	Reclamation
•	Water Resources		Socioeconomic
•	Air Quality		Cultural Resources
	Hazardous Materials		Visual Recourses

In addition to the scoping meetings and informational mailings, a number of informal meetings were held by the BLM and Cyprus Bagdad with federal and state agencies to present information about the proposed action and gather comments.

Visual Resources

9.2 ENVIRONMENTAL JUSTICE ISSUES

The BLM's mandate on Environmental Justice, Presidential Executive Order #12898, requires that all members of the public have the right to participate meaningfully in the BLM's processes and the activities effecting their health, welfare, and other matters in the community. An integral part of scoping was to identify environmental justice issues relating to the social, cultural, economic and health of minorities and low income groups on BLM lands and in BLM activities.

The BLM has established a strategy to identify minorities and low income groups that may be impacted by the proposed action. The strategy requires additional outreach efforts to be made to effectively involve these groups throughout the NEPA process. The strategy consists of using all available knowledge of the area, and consulting with Native American tribes to determine if any interested groups exist. Socioeconomic profiles of the county and the surrounding communities are referenced, and information on statewide alliance groups is researched and used where appropriate.

Through research and scoping, the general public was informed and invited to become involved in the EIS process. However, there are no significant minorities or low income groups that have been identified at this time.

The BLM will consider, in its land and resources management decisions, the health, social, and economic impacts on such communities. BLM has taken an active approach to outreach in and around minority and low income communities. The BLM is committed to equitable service to all communities.

9.3 AGENCIES CONTACTED AND CONSULTED

Agencies contacted during the EIS process included the following:

- Bureau of Land Management
- Arizona Department of Environmental Quality
- U.S. Army Corps of Engineers
- U.S. Environmental Protection Agency
- Arizona Department of Game and Fish
- U.S. Fish and Wildlife Service
- Hualapai Tribal Council
- Yavapai Tribal Council

9.4 ORGANIZATIONS, GROUPS, AND INDIVIDUALS WHO RECEIVED A COPY OF THE DRAFT EIS

A list of organizations, groups, and individuals who received a copy of the Draft EIS is presented in Appendix 1.

9.5 DOCUMENT CIRCULATION

Draft and Final Environmental Impact Statements will be available for review at the BLM Phoenix District Office, BLM State Office, Arizona State University Library, and Cyprus Bagdad Copper Corporation. A postcard-type notice will be sent to interested parties stating

the date of availability of the Draft and Final Environmental Impact Statements. The public hearings will be scheduled approximately 4 to 5 weeks into the comment period.

The following presents a list of the preparers of the Environmental Impact Statement, their qualifications, and education.

Preparer	EIS Contribution	Education	Years of Experience
S. Glass	Project Manager, Cultural Resources	B.A., Southwest Studies: Prehistoric Resource Utilization	17
R. Scott	Peer Review	M.L.A., Landscape Architecture and Environmental Planning	20
J. Himes	Assistant Project Manager, Biological Resources, Soils	B.A., Human Biológy	5
R. Becker	Socioeconomics, Land Use and Transportation, Visual Resources	B.A., Geography	6
D. Anderson	Geological and Water Resources	B.A., Hydrology	5
K. Etheridge	Air Quality and Noise	B.S., Meteorology	13
B. Smith	Hazardous Materials	B.S., Biological Sciences	7
R. Green	Noise	B.S., Environmental Science	18

The following BLM personnel provided review and support of this EIS:

Individual	Role	Location
Bruce Conrad	Acting State Director	Arizona State Office
Gordon Cheniae	District Manager	Phoenix District Office
Ken Drew	Area Manager	Kingman Resource Area
Mary Johnson	EIS Project Manager	Phoenix District Office
Bruce Asbjorn	Wilderness, Visual	Kingman Resource Area

Individual	Role	Location
Bill Carter	Hazardous Materials	Phoenix District Office
Ralph Costa	Mining Engineer	Arizona State Office
Robert Hall	Special Status Species	Kingman Resource Area
Paul Hobbs	Soils	Kingman Resource Area
Steve Markman	Hydrology	Phoenix District Office
Rebecca Peck	Vegetation and Wildlife	Kingman Resource Area
Gina Ramos	Socioeconomics	Arizona State Office
Jim Renthal	Air and Noise	Arizona State Office
Don Simonis	Cultural Resources	Kingman Resource Area
Art Smith	Geology	Kingman Resource Area